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C O N F I D E N T I A L SECTION 01 OF 02 PARIS 003923

SIPDIS

E.O. 12958: DECL: 06/05/2015

TAGS: [PREL](#) [ETTC](#) [ETRD](#) [FR](#) [CU](#)

SUBJECT: FRANCE: SUPPORT FOR CONTINUED SUSPENSION OF TITLE III OF THE LIBERTAD ACT

REF: A. STATE 96300

[B.](#) PARIS 2405

Classified By: Acting DCM Thomas White, for reasons 1.4 (b) and (d).

[¶](#)11. (C) Summary and comment: France adheres to the EU's Common Position on Cuba, and the GOF monitors the human rights situation in Cuba closely. MFA officials have consistently stressed that they share both the U.S. assessment of the human rights situation and the U.S. goal of supporting peaceful evolution to democracy, even if our approach on methods for achieving this end differ. French support at the Commission on Human Rights in Geneva has been crucial in securing the last several resolutions criticizing the Castro regime's human rights record. Legislation against French persons or entities as a result of implementation of Libertad Act Title III would be detrimental to Franco-American relations and could also have negative effects on our relations with the EU. Based on France's solid record of criticizing the Castro regime and seeking to change the state of human rights in Cuba, both through the EU and bilaterally, as well as the negative ramifications of implementation, post recommends a waiver of Title III of the Libertad Act. End summary and comment.

France/EU On Human Rights Situation in Cuba

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[¶](#)12. (C) As an EU member, France supports the EU Common Position of 1996. This position was strengthened in 2003 in response to the arrest of 75 dissidents by the Castro regime. In January 2005 the EU voted to suspend the sanctions imposed in 2003. MFA sources indicate that France was not entirely supportive of the decision to suspend sanctions against Cuba, but that it had been an extremely important issue for Spain. MFA officials have noted that they have not been impressed with the Castro regime's response thus far, though they are expected to vote for continued suspension of the sanctions when member states meet to review the EU Common Position. After the 2003 crackdown, France suspended bilateral police assistance outside of efforts to combat narco-trafficking.

Past Six Months of France's Cuba Policy

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[¶](#)13. (C) France has continued its criticism of the Castro regime and been particularly helpful in the international arena during the past six months. In December, the Prime Minister invited dissident Elizardo Sanchez Santa Cruz to Paris to attend the 2004 French Human Rights Prize ceremony, an award he received in 1996. Unfortunately, Sanchez Santa Cruz was not granted an exit permit by Cuban authorities. During the 61st Commission on Human Rights in Geneva, France once again co-sponsored the resolution against Cuba and was instrumental in lobbying Francophone African countries to vote in favor of the resolution or abstain (ref B). In April, USAID Assistant Administrator Adolfo Franco held a productive meeting with MFA officials in Paris and discussed the human rights situation in Cuba in depth. At that meeting, MFA officials emphasized that they had increased their contacts with dissidents and that the issue of human rights is raised in every meeting with the GOC. They noted that France had taken the lead in criticizing the GOC for persecuting the wives of political prisoners and believed their intervention had helped improve the situation. Most recently, numerous French parliamentarians expressed interest in the May 20 dissident conference; however, the intense campaign occurring in France at the same time for the EU Constitutional referendum prevented them from attending. France joined with other EU countries to roundly denounce the harassment and deportation of several European leaders and officials who had attempted to attend the conference.

French Investments in Cuba

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[¶](#)14. (U) According to the MFA, foreign direct investments in Cuba totaled around USD 6 billion at the end of 2004, with France ranked a distant fourth place among international investors with 6 percent of the total (behind Spain at 25%, Canada at 20%, and Italy at 19%). Around 40 French firms have a presence in Cuba, but only 18 French firms have established subsidiaries or operate under mixed status. Most investments are made by large multinational enterprises, in

sectors such as tourism, telecommunications, energy, agricultural foods, and banking.

15. (U) According to information from the French Finance Ministry, the tourism industry accounts for the largest investments in Cuba, which include those by hotel/resort operators such as Accor, which operates one hotel in Havana and two in Varadero; and Pansea Hotels & Resorts, which operates a hotel in Havana. Club Med left Varadero in May 2003 and has not yet followed through with another complex in Holguin. (Note: In July 2003, a Cuban-American woman sued Club Med in a Florida court claiming the French company had built the Varadero hotel on property confiscated from her family by the Cuban government. Club Med sold the property to the Spanish hotel company Grupo Pinero in 2003. End note.) The aviation firm Air France operates 7 flights weekly, and tour operators Nouvelle Frontiers and Fram Voyages book thousands of visitors each year. Energy company Total maintains operations in Cuba(having left the exploration business, it concentrates on off-shore exploitation and retail distribution of petroleum products). Pernod Ricard maintains the monopoly to export Cuban rum worldwide through Havana Club International, its joint venture with Cubaron; it plans to open a distillery in Havana in 2004. Perrier-Vittel, through its subsidiary Los Portales, sells more carbonated and non-alcoholic beverages in Cuba than any other firm. Established in 1998, it sold 7.2 million cases in 2003. The banks Societe Generale and BNP Baripas provide financial services. Oceor, a subsidiary of the Caisse d'Epargne, received authority in 2003 to open an office in Cuba. Bouygues Batiment has become the largest foreign construction firm in Cuba over the last six years, with seven hotels built in Havana, Holguin and los Cayos. Telecommunications firm Alcatel controls about half the fixed-line distribution and all of the radio installations; it is interested in the mobile telephony market as well.

16. (U) Engineering firms Babcock, Spie, Alstom (modernizing thermal plants and a gas refinery), Schneider Electric (supply services), and BEICIP-Franlab (industrial and energy engineering) all have participated in projects in Cuba. Devexport has diverse interests in electricity engineering, mining (nickel), transport, agriculture and pharmaceuticals. Altadis, a joint venture with Spain, holds 50 percent of the marketing share of Habanos cigars, and is forming a mixed enterprise with Cubatabaco to produce smaller-sized cigars. Maritime port operator CMA-CGM has entered into a joint venture with Coral Container Lines for transportation services in Santiago de Cuba. Peugeot, Citroen, and Renault sell directly to the Cuban automotive market, accounting for 35 percent of all new vehicles sold. Trading firms Sucden (which also was studying in 2004 a project for rehabilitating a sugar refinery), Louis Dreyfus, and Soufflet operate on the primary market in Cuba to trade primary goods (sugar, cereals, grains and milk products). Paper producer Seribo acquired a 15 percent stake in Bagacem to process sugar-cane husks.

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